CAROLINA, CLINCHFIELD AND OHIO RAILWAY

SECOND ANNUAL REPORT

TO THE

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FISCAL YEAR ENDED JUNE 30, 1912

J F Bureau of Railway Economics

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CAROLINA, CLINCHFIELD AND OHIO RAILWAY

BOARD OF DIRECTORS

EDWARD D. ADAMS
C. LEDYARD BLAIR
GEO. L. CARTER
JOHN B. DENNIS
WALLACE B. DONHAM
ISAAC T. MANN
MARK W. POTTER, *Chairman*
NORMAN B. REAM
ROBERT C. REAM
W. M. RITTER
WALTER T. ROSEN
THOS. F. RYAN
FRANK A. VANDERLIP
E. F. WATSON
W. K. WHIGHAM

EXECUTIVE OFFICERS

MARK W. POTTER,	*President*
J. J. CAMPION,	*Vice-President and Traffic Manager*
I. McQUILKIN,	*Comptroller*
CARL M. OWEN,	*Secretary*
J. C. STONE,	*Treasurer*

GENERAL OFFICERS

J. NORMENT POWELL,	*General Counsel*
L. H. PHETTEPLACE,	*General Superintendent*
WARD CROSBY,	*Chief Engineer*

GENERAL OFFICE,	JOHNSON CITY, TENN.
NEW YORK OFFICE,	24 BROAD STREET.

SECOND ANNUAL REPORT.

New York, November 1, 1912.

To the Stockholders of the

Carolina, Clinchfield and Ohio Railway:

The Second Annual Report of the Board of Directors, for the fiscal year ended June 30, 1912, is submitted herewith.

MILEAGE

	MILES.
Main line: Dante, Va., to North Carolina—South Carolina State Line.	224.10
Branch: Kiser, Va., to Laurel Junction, Va.	5.60
Trackage rights over Norfolk & Western Railway, Kiser, Va., to St. Paul, Va.	8.45
	238.15
Carolina, Clinchfield and Ohio Railway of South Carolina owns and operates	17.95
Total on which regular train service is maintained	256.10

As stated in the last annual report, the earnings of Carolina, Clinchfield and Ohio Railway of South Carolina are controlled by ownership of securities, and, for convenience, the results of the operation of the entire mileage described above are dealt with as a whole.

Ownership of the railroad of Elkhorn Southern Railway, 5.60 miles in length, and which heretofore was operated by this Company under lease, was acquired during the year.

Connections are made with the following railways:

Norfolk & Western Railway at Kiser, Va., and St. Paul, Va.
Virginia & Southwestern Railway at Speers Ferry, Va.
East Tennessee & Western North Carolina R. R. at Johnson City, Tenn.
Southern Railway at Johnson City, Tenn., Marion, N. C., and Spartanburg, S. C.
Seaboard Air Line Railway at Bostic, N. C.
Black Mountain Railway near Boonford, N. C.
Charleston & Western Carolina Ry. (Atlantic Coast Line System) at Spartanburg, S. C.

GENERAL RESULTS

A summary of the results of operation is shown below:

Operating Revenue (increase $510,047.98, or 28.15%)	$2,321,803	30
Operating Expenses (increase $62,868.23, or 6.30%)	1,060,725	92
Net Operating Revenue (increase $447,179.75, or 54.94%)	$1,261,077	38
Taxes (increase $20,129.00)	86,637	28
	$1,174,440	10
Miscellaneous Income (decrease $58,643.98)	98,590	71
Total Income (increase $311,164.17)	$1,273,030	81
Interest, rentals and other fixed charges (increase $48,197.46)	1,090,902	19
Surplus carried to Profit and Loss (increase $320,209.31)	$182,128	62

The complete Income Account appears in the appendix.

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenue from transportation of merchandise freight amounted to five hundred sixty-six thousand seven hundred thirty-two dollars and thirty-five cents ($566,732.35), being an increase of one hundred seventeen thousand eight hundred thirty-eight dollars and fifty-eight cents ($117,838.58) as compared with last year.

The tonnage moved was 505,027 tons, an increase of 178,120 tons as compared with the previous year.

The number of tons carried one mile amounted to 38,890,633, an increase of 13,159,604.

The average haul decreased from 78.71 to 77.01 miles, an decrease of 1.70 miles.

The Percentage of Revenue derived from the transportation of merchandise freight to Gross Revenue was 24.41 per cent., as compared with 24.78 per cent. for the previous year.

COAL FREIGHT

From the transportation of coal there was derived the sum of one million five hundred thirty-seven thousand two hundred fifty-seven dollars and seventy-one cents ($1,537,257.71), an increase of three hundred ninety-six thousand six hundred fifty-one dollars and thirty-nine cents ($396,651.39).

The coal tonnage transported amounted to 1,654,138 tons, an increase of 249,640 tons over previous year.

The number of tons carried one mile amounted to 351,792,523, an increase over previous year of 64,558,838.

The average haul increased from 204.51 to 212.67 miles, an increase of 8.16 miles.

The percentage of Coal Revenues to Gross Revenues was 66.21 per cent., as compared with 62.95 per cent. for the previous year.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was two million one hundred three thousand nine hundred ninety dollars and six cents ($2,103,990.06), an increase of five hundred fourteen thousand four hundred eighty-nine dollars and ninety-seven cents ($514,489.97).

Combining merchandise and coal, the entire freight traffic amounted to 2,159,165 tons, being an increase of 427,760 tons.

The number of tons carried one mile was 390,683,156, an increase of 77,718,442.

The average distance carried was 180.94 miles, an increase of 0.18 miles.

The average revenue per ton was 97.44 cents, as against 91.80 cents last year, being an increase of 5.64 cents.

The total freight train mileage was 368,905, an increase of 5,621 miles.

The average train load of revenue freight was 1,059.03 tons, an increase of 197.54 tons.

The average number of tons of revenue freight in each loaded car was 40.06 tons, a decrease of 0.97 tons.

In addition to the above tonnage, company's freight amounted to 119,380 tons, being a decrease of 16,146 tons.

PASSENGER TRAFFIC

From Passenger Traffic, the revenue derived was one hundred sixty-seven thousand three hundred thirty-three dollars and sixty-one cents ($167,333.61), a decrease of four thousand one hundred seventy dollars and fifty-seven cents ($4,170.57).

Total number of passengers carried was 330,976, a decrease of 4,918.

The number of passengers carried one mile was 6,998,585, a decrease of 333,988.

The average distance traveled by each passenger was 21.15 miles, a decrease of 0.68 miles.

The average revenue paid by each passenger was 50.56 cents, a decrease of 0.50 cents.

Passenger train mileage was 371,771, a decrease of 2,265 miles.

EXPRESS REVENUE

Express revenue amounted to ten thousand nine hundred fifty-eight dollars and thirty-three cents ($10,958.33) an increase of two thousand two hundred sixteen dollars and fourteen cents ($2,216.14).

MAIL REVENUE

The revenue derived from carrying United States mail was eleven thousand three hundred seventy-nine dollars and fifty-one cents ($11,379.51), a decrease of forty-nine dollars and twenty-two cents ($49.22).

MISCELLANEOUS REVENUES

These consist of revenues derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telephone service, rents of buildings and other property, and miscellaneous, and amount to twenty-eight thousand, one hundred forty-one dollars and seventy-nine cents ($28,141.79), a decrease of two thousand four hundred thirty-eight dollars and thirty-four cents ($2,438.34).

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditure for Maintenance of Way and Structures amounted to $167,768.36 or $655.09 per mile operated. The expenditures for Maintenance of Way and Structures for the previous year were $646.40 per mile operated. The increase is $8.69 or 1.34 per cent. and is due to increased traffic. The property has been fully maintained in every respect.

MAINTENANCE OF EQUIPMENT

The total expenses for Maintenance of Equipment during the year amounted to $256,517.78, an increase over the previous year of $18,182.25 or 7.62 per cent. This increase of expenses is due to the growth of traffic. Included in the expenses for the year is an arbitrary charge of depreciation of equipment, in compliance with the accounting regulations of the Interstate Commerce Commission.

Six new engines were purchased during the year and charged to Additions and Betterments. The changes in equipment and the unit cost of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC EXPENSES

The expenditures under this heading amounted to $82,938.48, an increase of $1,633.83 over the previous year.

CONDUCTING TRANSPORTATION

The total cost of conducting transportation was $456,925.94, an increase over the previous year of $50,249.47 or 12.36 per cent. This is due to the increased traffic. The increase in revenue ton-miles over the previous year was 24.83 per cent. The ratio of transportation expenses to total operating revenues was 19.68 per cent. as compared with 22.45 per cent. for the previous year, a decrease of 2.77 per cent.

GENERAL EXPENSES

The expenditures for general administration were for the year, $96,575.36 as compared with $106,340.54 for the previous year, a reduction of 9.18 per cent.

CAPITAL STOCK

The Capital Stock of Carolina, Clinchfield and Ohio Railway remains unchanged. It consists of:

150,000 shares Common Stock, par value $100 each	$15,000,000
150,000 shares Preferred Stock, par value $100 each	15,000,000
Total	$30,000,000

FINANCIAL

At the time of the acquisition of the property of Elkhorn Southern Railway, its five per cent. note for $797,556.75 representing the cost of its railroad, with interest, was assumed by this Company.

The Collateral Notes for $1,000,000, due January 1, 1912, were extended to July 1, 1912.

The amount of outstanding Collateral Notes, dated February 15, 1911, was reduced to $41,300.

GENERAL REMARKS

During the last fiscal year the business of the Company has shown a gratifying increase with every prospect of a satisfactory increase in the future. Active efforts have been made to encourage the development of new industries along the line.

A Portland cement plant, which recently began operating at Kingsport, Tenn., with a capacity of one thousand barrels per day, is now increasing its capacity and planning to more than double it. This plant has the advantage of cheap fuel, the most desirable limestone and shale delivered to the mill at low cost, and favorable freight rates, putting it in a strong position to meet competitition and expand its business via the Clinchfield Railway in a large territory where the use of cement is growing rapidly.

A brick plant at the same place, with a capacity of 60,000 brick a day, is unable to supply the demand and is now doubling its capacity and arranging to engage in the manufacture of sewer pipe, paving brick, tiles, special building brick and other products for which it has clays and shales of superior quality. This plant is now producing brick so superior in quality as to successfully compete in the South with those made nearer the places of consumption. The southern market for paving brick, sewer pipe, etc., is now chiefly supplied by enterprises less favorably located than the Kingsport plant.

A new 20,000 spindle cotton mill, which has been erected on the line, has recently commenced operations.

Numerous other industries referred to in the table annexed were established during the year.

The construction of an extension of the mileage now in operation to Elkhorn City, Kentucky, has always been regarded essential in order to enable the properties of the Company to perform the best function as an important link in the shortest line of lightest grades and easiest curvature for through passenger and freight business between the Ohio Valley and the territory north and the Carolinas, a portion of Tennessee, Georgia and Florida, and for traffic moving through south Atlantic ports. The character of the country lying between Dante, Virginia, the present northern terminus of the line, and Elkhorn City, Kentucky, is such as to make railroad construction exceptionally difficult and expensive. Several routes were surveyed. The Board of Directors gave careful consideration to the respective merits of each, and at the meeting held on April 11, 1912, determined to construct an extension from Dante, Russell County, Virginia, to Elkhorn City, Kentucky, by way of McClure's Fork and Russell Fork of the Big Sandy River. This extension of approximately 35 miles is now under construction and should be in operation during the summer of 1914. At Elkhorn City, Kentucky, connection will be made with the Chesapeake and Ohio Railway, with which Company a traffic arrangement has been entered into, insuring the support and co-operation of that company in the development of business via the Clinchfield route.

In addition to the increased earnings from through traffic expected to result from the construction of the Elkhorn Extension, large earnings must come from business originating on the Elkhorn Extension itself, which passes through territory of extensive coal and timber resources.

The Elkhorn Extension passes through the important properties of the Clinchfield Coal Corporation, and will permit its coals to enter the markets of the Middle West on advantageous terms.

Respecting through tonnage, the Carolina, Clinchfield and Ohio Railway, when extended to Elkhorn City, Kentucky, may be regarded as a bridge or needed intermediate line. For less than the lowest cost by other routes, it should derive an attractive profit in passing tonnage from gathering to distributing lines at the north and south. Other lines, by using the Clinchfield route under arrangements profitable to it, for through business, will be able to lower their cost of handling between producing and consuming territory, increase their profits over gathering and distributing lines, render improved service, and, by relieving their trunk lines from congestion, be enabled better to develop their local business and handle it with greater economy. The Clinchfield Railway has friendly interchange relations with all connecting lines, and it is believed that these relations are profitable to all concerned.

Mr. M. J. Caples, Vice-President and General Manager, who had been Chief Engineer during the construction of the railway and in charge of operation thereafter, resigned October 31, 1911.

Following the resignation of Mr. Caples, Mr. L. H. Phetteplace, Superintendent, was appointed General Superintendent in charge of operation and maintenance, and Mr. Ward Crosby, Principal Assistant Engineer, was appointed Chief Engineer.

The Board acknowledges the fidelity and efficiency of the officers and employees of the Company.

For the Board of Directors,

MARK W. POTTER,
President.

STATEMENTS AND STATISTICS

GENERAL INCOME ACCOUNT

CAROLINA, CLINCHFIELD AND OHIO RAILWAYS

FOR THE YEAR ENDED JUNE 30, 1912, AND COMPARISON WITH PREVIOUS YEAR

	1912	1912	1911	Increase or Decrease.
Operating Revenues				
Freight	$2,103,990 06		$1,589,500 09	$514,489 97
Passenger	167,333 61		171,504 18	D *4,170 57*
Mail	11,379 51		11,428 73	D *49 22*
Express	10,958 33		8,742 19	2,216 14
Miscellaneous	28,141 79		30.580 13	D *2.438 34*
Total operating revenues		$2,321,803 30	$1,811,755 32	$510,047 98
Operating Expenses				
Maintenance of way and structures	$167,768 36		$165,200 50	$2,567 86
Maintenance of equipment	256,517 78		238,335 53	18,182 25
Traffic expenses	82,938 48		81,304 65	1,633 83
Transportation expenses	456,925 94		406,676 47	50,249 47
General expenses	96,575 36		106.340 54	D *9.765 18*
Total operating expenses		1,060,725 92	$997.857 69	$62,868 23
Ratio of operating expenses to operating revenues		45.69%	55.08%	
Net Operating Revenue		$1,261,077 38	$813,897 63	$447,179 75
Taxes		86,637 28	66,508 28	20,129 00
Operating Income		$1,174,440 10	$747.389 35	$427,050 75
Miscellaneous Income				
Hire of equipment	$96,315 01		157,234 69	D *$60,919 68*
Rental of leased rail	2,275 70			2,275 70
Total miscellaneous income		98,590 71	$904,624 04	$368,406 77
		$1,273,030 81		
From which deduct:				
Interest on loans and accounts	$60,421 46		$4,053 86	$56,367 60
Rental of joint facilities	8,659 51		7.784 51	875 00
		69,080 97	$11,838 37	$57,242 60
Total Income		$1,203,949 84	$892,785 67	$311,164 17
Deductions from Income				
Interest on funded debt	$887,196 23		$880,000 00	$7,196 23
Interest on equipment trusts	134,624 99		150,866 36	D *16,241 37*
		1,021,821 22	$1,030,866 36	D *$9,045 14*
Net surplus		$182,128 62		
Net deficit			$138,080 69	$320,209 31

STATEMENT OF FUNDED DEBT AND EQUIPMENT NOTES, JUNE 30, 1912

Liens Created by	Character of Lien	Amount Outstanding	Date of Maturity	Rate per Annum	Date Payable	Interest Accrued During Year
Carolina, Clinchfield and Ohio Ry.	First Mortgage Coupon Convertible to Registered (1)	$11,514,000	June 1, 1938	5%	June and Dec.	$527,889 31
Carolina, Clinchfield and Ohio Ry.	Ten Year Coupon Notes	5,000,000	July 1, 1919	5%	Jan. and July	250,000 00
Lick Creek & Lake Erie R. R. Co.	First Mortgage Coupon Bonds	200,000	Jan. 1, 1933	5%	Jan. and July	10,000 00
Carolina, Clinchfield and Ohio Ry.	Collateral Trust Notes	41,300	Jan. 1, 1912	6%	Jan. and July	39,306 92
Carolina, Clinchfield and Ohio Ry.	Collateral Trust Notes	1,000,000	Feb. 15, 1912	6%	Aug. and Feb.	60,000 00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes, Series A	1,690,000	$130,000 Matures June 1st and Dec. 1st	5%	June and Dec.	93,166 66
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series B	800,000	$50,000 Matures Jan. 15th and July 15th	5%	Jan. and July	41,458 33
	Total	$20,245,300				$1,021,821 22

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA.

Carolina, Clinchfield and Ohio Ry. of South Carolina	First Mortgage Coupon Bonds	$3,000,000	June 1, 1938	5%	June and Dec.	$150,000 (2)

(1) Does not include $1,561,000 pledged as collateral nor $75,000 held in treasury.

(2) Accrues to C., C. & O. Ry.

GENERAL BALANCE SHEET

CAROLINA, CLINCHFIELD

ASSETS

PROPERTY OWNED AS INVESTMENT		
Physical property owned		
Road and equipment since June 30, 1907		
Road	$41,595,931 28	
Equipment	5,025,824 94	
General expenditures	322,589 99	
	$46,944,346 21	
Reserve for Accrued Depreciation on equipment	195,855 13	
		$46,748,491 08
SECURITIES OWNED		
First mortgage bonds pledged as collateral	$1,486,000 00	
First mortgage bonds of C. C. & O. Ry. of S. C.	3,000,000 00	
		4,486,000 00
WORKING ASSETS		
Cash	$222,689 13	
Loans on bills receivable	352 28	
Traffic and car service balances due from other companies	123,098 06	
Net balance due from agents and conductors	59,831 59	
Miscellaneous accounts receivable	507,653 50	
Materials and supplies	131,951 43	
Other working assets	76,502 73	
		1,122,078 72
ACCRUED INTEREST NOT DUE		
Unmatured interest, dividends and rents receivable		90,309 87
DEFERRED DEBIT ITEMS		
Advances	$822,855 45	
Unextinguished discount on securities	531,663 34	
Other deferred debit items	7,320 67	
		1,361,839 46
PROFIT AND LOSS		
Balance	$788,248 24	
Less—Income, 1911–1912	284,242 81	
		504,005 43
Total Assets		$54,312,724 56

CAROLINA, CLINCHFIELD AND OHIO

PROPERTY INVESTMENT		
Road and equipment		
Road		$3,030,166 76
WORKING ASSETS		
Cash	$4,324 08	
Net balance due from agents	24,851 13	
Miscellaneous accounts receivable	97,281 58	
		126,456 79
DEFERRED DEBIT ITEMS		
Other deferred debit items		468 42
PROFIT AND LOSS		
Balance	$199,602 95	
Income account, 1911–1912	102,114 19	
		301,717 14
Total Assets		$3,458,809 11

JUNE 30, 1912

AND OHIO RAILWAY

LIABILITIES

STOCK			
Capital stock			
Common stock		$15,000,000 00	
Preferred stock		15,000,000 00	
			$30,000,000 00
MORTGAGE, BONDED AND SECURED DEBT			
Funded debt			
First Mortgage Five Per Cent. Gold Bonds	$13,150,000		
Less—Held in treasury	150,000		
		$13,000,000 00	
Ten Year Five Per Cent. Gold Notes		5,000,000 00	
Equipment Gold Notes, Series A		1,950,000 00	
Equipment Gold Notes, Series B		900,000 00	
L. C. & L. E. R. R. Co. First Mortgage Bonds		200,000 00	
Elkhorn Southern Railway Five Per Cent. Note		797,556 75	
Collateral Notes due July 1, 1912		1,000,000 00	
Collateral Notes dated February 15, 1911		41,300 00	
			22,888,856 75
WORKING LIABILITIES			
Traffic and car service balances due to other companies		$36,162 14	
Loans and bills payable		190,728 70	
Audited vouchers and wages unpaid		203,657 13	
Miscellaneous accounts payable		1,336 91	
Matured interest unpaid		300,350 00	
Working advances due other companies		362,988 85	
			1,095,223 73
ACCRUED LIABILITIES NOT DUE			
Unmatured interest, dividends and rents payable		....	296,111 33
DEFERRED CREDIT ITEMS			
Operating reserves		$4,243 49	
Other deferred credit items		28,289 26	
			32,532 75
Total Liabilities		....	$54,312,724 56

RAILWAY OF SOUTH CAROLINA

STOCK		
Capital stock		
Common stock	....	$12,000 00
MORTGAGE, BONDED AND SECURED DEBT		
First mortgage bonds	....	3,000,000 00
WORKING LIABILITIES		
Traffic and car service balances due to other companies	$41,964 80	
Audited vouchers and wages unpaid	16,979 98	
Matured interest unpaid	375,000 00	
		433,944 78
ACCRUED LIABILITIES NOT DUE		
Unmatured interest payable	....	12,500 00
DEFERRED CREDIT ITEMS		
Other deferred credit items	....	364 33
Total Liabilities	....	$3,458,809 11

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1912, COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1911-1912	Expenses for 1910-1911
Maintenance of Way and Structures	$167,768 36	$165,200 50
Maintenance of Equipment	256,517 78	238,335 53
Traffic Expenses	82,938 48	81,304 65
Transportation Expenses	456,925 94	406,676 47
General Expenses	96,575 36	106,340 54
Totals	$1,060,725 92	$997,857 69
MAINTENANCE OF WAY AND STRUCTURES:		
Superintendence	$13,163 49	$10,735 93
Ballast	4,056 21	
Ties	8,254 65	3,445 91
Rails	6,832 08	1,861 94
Other track material	6,778 53	2,572 02
Roadway and track	94,520 18	117,601 17
Removal of snow, sand and ice	290 59	126 87
Tunnels	5,128 19	5,320 79
Bridges, trestles and culverts	11,683 85	5,299 88
Over and under grade crossings	77 70	5 50
Grade crossings, fences, cattle guards and signs	1,339 52	1,427 55
Signals and interlocking plants	918 13	558 20
Telegraph and telephone lines	3,446 61	3,106 83
Buildings, fixtures and grounds	7,678 37	5,442 26
Roadway, tools and supplies	1,657 66	4,337 05
Injuries to persons	609 88	1,999 89
Stationery and printing	523 68	178 51
Other expenses	102 17	26 80
Maintaining joint tracks, yards and other facilities *Dr.*	806 85	1,367 42
Maintaining joint tracks, yards and other facilities *Cr.*	*99 98*	*214 02*
Totals	$167,768 36	$165,200 50
MAINTENANCE OF EQUIPMENT:		
Superintendence	$12,165 66	$8,799 63
Steam locomotives—Repairs	106,616 63	73,147 41
Steam locomotives—Depreciation	3,607 98	4,079 03
Passenger-train cars—Repairs	9,753 51	10,183 28
Passenger-train cars—Renewals	1,957 12	
Passenger-train cars—Depreciation	2,569 20	3,027 20
Freight-train cars—Repairs	73,413 14	83,198 43
Freight-train cars—Renewals	1,112 89	4,622 60
Freight-train cars—Depreciation	29,295 27	39,482 76
Work Equipment—Repairs	4,330 26	4,791 05
Work Equipment—Renewals		231 50
Work Equipment—Depreciation	530 40	483 24
Shop machinery and tools	9,738 36	4,300 85
Power plant equipment	86 30	338 02
Injuries to persons	615 17	1,185 88
Stationery and printing	690 96	464 65
Other expenses	34 93	
Totals	$256,517 78	$238,335 53

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1912, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1911-1912	Expenses for 1910-1911
TRANSPORTATION EXPENSES:		
Superintendence	$20,234 23	$17,108 08
Dispatching trains	6,110 06	5,092 52
Station employees	32,765 21	26,833 62
Weighing and car-service associations	936 32	773 29
Station supplies and expenses	4,291 79	4,171 15
Yard masters and their clerks	2,730 39	1,741 75
Yard conductors and brakemen	10,726 42	10,123 83
Yard switch and signal tenders	187 56	183 30
Yard supplies and expenses	70	3 12
Yard enginemen	8,006 24	6,322 55
Enginehouse expenses—Yard	1,636 21	1,396 78
Fuel for yard locomotives	6,563 54	5,123 30
Water for yard locomotives	272 01	390 93
Lubricants for yard locomotives	315 24	231 25
Other supplies for yard locomotives	197 90	234 92
Operating joint yards and terminals *Dr.*	3,813 44	5,284 25
Operating joint yards and terminals *Cr.*	*2,292 01*	*2,373 86*
Road enginemen	90,943 38	74,943 17
Enginehouse expenses—Road	18,207 73	16,893 42
Fuel for road locomotives	109,473 34	83,421 33
Water for road locomotives	5,427 67	5,685 61
Lubricants for road locomotives	4,800 12	5,377 19
Other supplies for road locomotives	3,296 00	3,488 15
Road trainmen	71,137 85	63,833 65
Train supplies and expenses	11,873 88	13,425 50
Interlockers and block and other signals—operation		3 75
Crossing flagmen and gatemen	720 00	721 58
Clearing wrecks	5,514 92	5,057 81
Telegraph and telephone—operation	958 67	1,059 38
Stationery and printing	7,337 41	6,765 61
Other expenses	703 69	1,258 50
Loss and damage—Freight	5,827 16	6,185 51
Loss and damage—Baggage	2 50	227 62
Damage to property	3,210 31	7,008 86
Damage to stock on right of way	6,377 12	5,475 10
Injuries to persons	10,706 69	21,981 62
Operating joint tracks and facilities *Dr.*	4,182 44	1,593 97
Operating joint tracks and facilities *Cr.*	*270 19*	*371 64*
Totals	$456,925 94	$406,676 47
GENERAL EXPENSES:		
Salaries and expenses of general officers	$16,756 46	$26,460 76
Salaries and expenses of clerks and attendants	31,958 24	33,046 28
General office supplies and expenses	6,976 14	7,211 40
Law expenses	27,247 23	26,926 96
Insurance	5,467 56	5,113 85
Stationery and printing	6,213 50	6,572 79
Other expenses	1,940 13	994 00
General administration joint tracks, yards and terminals *Dr.*	16 10	14 50
Totals	$96,575 36	$106,340 54

TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1912

	YEAR ENDED JUNE 30, 1912	YEAR ENDED JUNE 30, 1911	INCREASE	DECREASE
AVERAGE MILEAGE OPERATED	256.10	255.57	.53	
PASSENGER TRAFFIC				
Number of passengers carried	330,976	335,894	....	4,918
Number of passengers carried one mile	6,998,585	7,332,573	....	333,988
Number of passengers carried one mile per mile of road	27,328	28,839	....	1,511
Average distance each passenger travelled (miles)	21.15	21.83	....	.68
Total revenue from passengers	$167,333 61	$171,504 18	....	$4,170.57
Average amount received from each passenger (cents)	50.56	51.06	....	.50
Average receipts per passenger per mile (cents)	2.39	2.34	.05	
Total passenger train revenue	$203,172 56	$208,192 24	....	$5,019.68
Passenger train revenue per mile of road	$793 33	$818 82	....	$25.49
Passenger train revenue per train mile (cents)	54.65	55.54	....	.89
Average number of passengers per passenger train mile	19	20	....	1
Average number of passengers per passenger car mile	9	9	....	
FREIGHT TRAFFIC				
REVENUE COAL				
Tons of coal carried	1,654,138	1,404,498	249,640	
Tons of coal carried one mile	351,792,253	287,233,685	64,558,838	
Tons of coal carried one mile per mile of road	1,373,653	1,129,685	243,968	
Average distance hauled per ton (miles)	212.67	204.51	8.16	
Total coal freight revenue	$1,537,257 71	$1,140,606 32	$396,651 39	
Average amount received for each ton (cents)	92.93	81.21	11.72	
Average receipts per ton per mile (cents)	0.44	0.40	0.04	
Coal freight revenue per mile of road	$6,002 57	$4,485 99	$1,516 58	
Coal freight revenue per train mile	$4 82	$4 45	$0 37	
REVENUE MERCHANDISE FREIGHT				
Tons of merchandise carried	505,027	326,907	178,120	
Tons of merchandise carried one mile	38,890,633	25,731,029	13,159,604	
Tons of merchandise carried one mile per mile of road	151,857	101,200	50,657	
Average distance hauled per ton (miles)	77.01	78.71	....	1.70
Total merchandise freight revenue	$566,732 35	$448,893.77	$117,838 58	
Average amount received for each ton	$1 12	$1 37	....	$0.25
Average receipts per ton per mile (cents)	1.46	1.74	....	0.28
Merchandise freight revenue per mile of road	$2,212 93	$1,765 49	$447 44	
Merchandise freight revenue per train mile	$1 78	$1 24	$0.54	

TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1912—*Continued*

	Year Ended June 30, 1912	Year Ended June 30, 1911	Increase	Decrease
Total Revenue Freight				
Tons of freight carried	2,159,165	1,731,405	427.760	
Tons of freight carried one mile	390,683,156	312,964 714	77,718,442	
Tons of freight carried one mile per mile of road	1,525.510	1,230,885	294.625	
Average distance hauled per ton (miles)	180.94	180.76	.18	
Total freight revenue	$2,103,990 06	$1,589,500 09	$514,489 97	
Average amount received for each ton (cents)	97.44	91.80	5 64	
Average amount received per ton per mile (cents)	0.54	0.51	0 03	
Freight revenue per mile of road	$8,215 50	$6,251 48	$1,964 02	
Freight revenue per train mile	$5 70	$4 38	$1 32	
Average number tons of freight per train mile	1,059.03	861.49	197.54	
Average number tons of freight per loaded car mile	40.06	41.03	....	0.97
All Freight (including company material hauled free)				
Number of tons carried	2,278,545	1,866,931	411,614	
Number of tons carried one mile	400,447,006	325,798,395	74,648,611	
Average number of tons of freight per train mile	1,085.50	896.81	188.69	
Average number tons of freight per loaded car mile	41.07	42.72	....	1.65
Revenue and Operating Expenses				
Passenger and freight train revenue	$2,307,162 62	$1,797,692 33	$509,470 29	
Passenger and freight train revenue per mile of road	9,008 83	7,034 05	1,974 78	
Gross operating revenue	2,321,803 30	1,811,755 32	510,047 98	
Gross operating revenue per mile of road	9,066 00	7,089 08	1,976 92	
Gross operating revenue per revenue train mile	3 63	2 84	0 79	
Operating expenses (taxes excluded)	1,060,725 92	997,857 69	62,868 23	
Operating expenses per mile of road	4,141 84	3,904 43	237 41	
Operating expenses per revenue train mile	1 66	1 56	0 10	
Net operating revenue	1,261,077 38	813,897 63	447,179 75	
Net operating revenue per mile of road	4,924 16	3,184 64	1,739 52	
Net operating revenue per revenue train mile	1 97	1 27	0 70	

CLASSIFICATION OF FREIGHT HANDLED DURING YEAR ENDED JUNE 30, 1912, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(NET TONS)

	C. C. & O. RAILWAY		C. C. & O. RY. OF S. C.	
	1912	1911	1912	1911
PRODUCTS OF AGRICULTURE				
Grain	21,514	17,386	1,507	2,318
Flour	19,244	15,937	10,285	7,318
Other Mill Products	4,834	3,540	1,768	1,248
Hay	10,088	8,475	3,305	2,327
Tobacco	....	37		
Cotton	851	199	1,584	455
Fruits and Vegetables	1,128	518	240	140
Other Products of Agriculture	2,316	624	839	960
PRODUCTS OF ANIMALS				
Live Stock	1,995	2,609	277	242
Dressed Meats	977	876	309	309
Other Packing House Products	3,400	2,217	2,167	627
Poultry, Game and Fish	36	20	18	20
Hides and Leather	146	1,429		
Other Products of Animals	6,869	10,369	6,936	8,397
PRODUCTS OF MINES				
Bituminous Coal	1,654,138	1,404,498	945,314	729,577
Ores	4,782	6,946	584	20
Stone, Sand and other like articles	92,477	16,114	1,217	1,457
Other Products of Mines	5,565	2,546	1,680	402
PRODUCTS OF FORESTS				
Lumber	145,812	102,742	16,274	9,676
Other Products of Forests	28,933	25,481	4,919	4,112
MANUFACTURES				
Petroleum and Other Oils	615	693	191	63
Sugar	1,101	385	212	18
Naval Stores	....	46	....	12
Iron—pig and bloom	3,765	2,290	69	232
Iron and Steel Rails	3,318	7,165	797	2,204
Other Castings and Machinery	7,878	11,253	2,005	1,265
Bar and Sheet Metal	199	180	104	67
Cement, Brick and Lime	72,082	18,079	21,664	7,667
Agricultural Implements	2,611	2,628	664	683
Wagons, Carriages, Tools, Etc.	2,850	2,460	955	748
Wines, Liquors, and Beers	37	76	12	
Household Goods and Furniture	1,274	803	398	152
Other Manufactures	10,951	8,986	3,935	2,476
Merchandise	29,753	30,717	5,174	6,749
Miscellaneous	2,762	2,132	194	172
Total Tonnage	2,144,301	1,710,456	1,035,597	792,111

LIST OF NEW INDUSTRIES ESTABLISHED DURING YEAR ENDED JUNE 30, 1912

SHIPPING POINT	NAME	CHARACTER
Mt Mitchell, N. C.	John Washburn	Saw Mill
Caldwell, N. C	C. M. Caldwell	Saw Mill
Cameron, Va	B. L. Winegar	Saw Mill
Chesnee, S. C	D. P. Martin & Co	Wood Working
Chesnee, S. C	Edwards & Price	Wood Working
Dungannon, Va.	Bristol Hardwood Co	Saw Mill
Fordtown, Tenn	Donnahue & Worthington	Saw Mill
Fordtown, Tenn	O. M. Chase	Saw Mill
Fero, N. C	Rabb-Tilley Lumber Co	Saw Mill
Huntdale, N. C	Murray Lumber Co	Saw Mill
Poplar, N C	R. W. & L. F. Coxe	Saw Mill
Warrick, N. C	C. H. Warrick	Saw Mill
Marion, N. C	Beaman Lumber Co	Wood Working
Hankins, N. C	J. H. Britton	Saw Mill
Sevier, N. C	Morrison & Smith	Saw Mill
Sevier, N. C	Rabb-Tilley Lumber Co	Saw Mill
Sevier, N. C	Piedmont Hardwood Co	Saw Mill
Spruce Pine, N. C	J. Walter Wright Lumber Co	Saw Mill
Tates, N. C	Morris & Warrick	Saw Mill
Westminster, N. C	Pitts & Giles	Saw Mill
Unicoi, Tenn.	C. J. & D. Carver	Saw Mill
Johnson City, Tenn	Hice Mfg. Co	Spokes
Johnson City, Tenn	Ray Hardwood Co	Shuttles
Pactolus, Tenn	Clinchfield Barytes Co	Barytes

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE

	OPERATING REVENUES					
	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL
July, 1911	$101,938 74	$39,733 10	$17,432 34	$1,819 71	$3,805 88	$164,729 77
August, "	134,453 07	46,703 56	17,506 05	1,957 99	1,417 56	202,038 23
September, "	113,341 80	45,573 69	17,434 60	1,958 68	5,241 10	183,549 87
October, "	121,261 67	45,733 89	13,963 54	1,973 80	2,553 29	185,486 19
November, "	140,206 14	42,813 08	12,123 16	1,837 44	2,062 40	199,042 22
December, "	125,029 33	39,227 80	14,539 64	1,864 31	1,577 94	182,239 02
January, 1912	136,568 20	40,159 44	11,899 43	1,907 14	2,172 96	192,707 17
February, "	134,592 30	40,899 14	10,537 50	2,026 96	1,241 71	189,297 61
March, "	131,534 44	50,167 75	11,522 50	1,693 97	1,924 47	196,843 13
April, "	134,921 31	56,025 26	11,740 86	1,627 13	1,704 61	206,019 17
May, "	147,758 78	61,479 71	13,570 97	1,748 18	1,606 27	226,163 91
June, "	115,651 93	58,215 93	15,063 02	1,922 53	2,833 60	193,687 01
Total year ended June 30, 1912	$1,537,257 71	$566,732 35	$167,333 61	$22,337 84	$28,141 79	$2,321,803 30
Total year ended June 30, 1911	1,140,606 32	448,893 77	171,504 18	20,170 92	30,580 13	1,811,755 32
Increase	$396,651 39	$117,838 58	....	$2,166 92	....	$510,047 98
Decrease......	....	....	$4,170 57	....	$2,438 34	....
Increase, per cent.	34.78	26.25	....	10.74	....	28.15
Decrease, per cent.	....	....	2.43	....	7.97	....

THE RATIO OF EACH CLASS OF REVENUE TO TOTAL OPERATING REVENUES IS AS FOLLOWS:

	1912	1911	INCREASE OR DECREASE
Coal Freight....	66.21	62.95	3.26
Merchandise Freight..	24.41	24.78	D *.37*
Passenger	7.21	9.47	D *2.26*
Mail and Express...............	.96	1.11	D *.15*
Miscellaneous......................................	1.21	1.69	D *.48*

30, 1912, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30, 1911

OPERATING EXPENSES						
MAINTENANCE OF WAY AND STRUCTURES	MAINTENANCE OF EQUIPMENT	TRAFFIC EXPENSES	TRANSPORTATION EXPENSES	GENERAL EXPENSES	TOTAL	NET OPERATING REVENUE
$11,447 12	$20,023 77	$6,053 60	$34,825 38	$8,195 14	$80,545 01	$84,184 76
12,962 42	23,776 44	6,313 50	38,066 49	8,098 03	89,216 88	112,821 35
12,450 61	21,763 68	5,990 49	36,601 86	8,279 53	85,086 17	98,463 70
12,375 26	23.204 97	5.527 68	37,702 62	8,293 31	87,103 84	98,382 35
11,942 43	21,331 74	6,730 93	40,074 73	7,935 79	88,015 62	111,026 60
10,391 52	20,027 89	6,052 53	37,570 23	8,448 18	82,490 35	99,748 67
11,679 35	21,047 27	6,750 21	40,218 26	8.546 40	88,241 49	104,465 68
11,426 11	22,213 14	6,886 39	37,398 41	7,220 73	85,144 78	104,152 83
17,847 44	18,285 72	7,843 17	38,146 62	7,582 20	89,705 15	107,137 98
17,305 20	22,994 59	7,952 37	42,539 39	7,900 57	98,692 12	107,327 05
18,500 28	22,855 78	7,890 28	38,242 48	6,876 26	94,365 08	131,798 83
19,440 62	18,992 79	8,947 33	35,539 47	9.199 22	92,119 43	101,567 58
$167,768 36	$256,517 78	$82,938 48	$456,925 94	$96,575 36	$1,060,725 92	$1,261,077 38
165,200 50	238,335 53	81,304 65	406,676 47	106,340 54	997,857 69	813,897 63
$2,567 86	$18,182 25	$1,633 83	$50,249 47	....	$62,868 23	$447,179 75
....	....	....	....	$9,765 18		
1.55	7.63	2.01	12.36	....	6.30	54.94
....	....	....	....	9.18		

THE RATIO OF EACH CLASS OF OPERATING EXPENSES TO TOTAL OPERATING REVENUES IS AS FOLLOWS:

	1912	1911	DECREASE
Maintenance of Way and Structures	7.23	9.12	1.89
Maintenance of Equipment	11.05	13.15	2.10
Traffic Expenses	3.57	4.49	0 92
Transportation Expenses	19.68	22.45	2.77
General Expenses	4.16	5.87	1.71

STATEMENT OF MILEAGE OF TRACK OPERATED

		June 30, 1912	June 30, 1911	Comparison with June 30, 1911	
				Increase	Decrease
OWNED					
Main Line					
In Virginia : Kiser to Laurel Junction	5.60				
Dante to Va-Tenn. State Line	51.88	57.48	51.88	5.60	
In Tennessee : Va-Tenn. State Line to Johnson City, Tenn.	33.35				
Johnson City, Tenn. to Tenn-North Carolina State Line	21.63	54.98	54.98		
In North Carolina		116.61	116.61		
In South Carolina (C. C. & O. Ry. of S. C.)		17.95	17.95		
		247.02	241.42	5.60	
Branches and Spurs					
In Virginia : Spur Hurricane Junction to End of Track	1.52				
Spur Laurel Junction to Laurel Tipple	3.39				
Dante, Va. to Tipple No. 2	0.78				
Dante, Va. to Foot of Switchback	1.27	6.96	2.05	4.91	
In Tennessee : Carnegie Spur		2.32	3.02		0.70
In North Carolina : Bostic Yard to Bostic, N. C.		.80	.80		
		10.08	5.87	4.21	
LEASED					
Main Line					
In Virginia : Kiser to Laurel Junction			5.60		5.60
In Tennessee : E. T. & W. N. C. R. R. in Johnson City, Tenn.		.63	.63		
		.63	6.23		5.60
Branches and Spurs					
In Virginia : Spur Hurricane Jct. to End of Track			1.52		1.52
Spur Laurel Jct. to Laurel Tipple			3.39		3.39
			4.91		4.91
TRACKS USED JOINTLY					
In Virginia : N. & W. Ry., Kiser to St. Paul, Va.		8.45	8.45		
Grand Total		266.18	266.88		0.70
Total Mileage operated(*)		256.10	256.10		
Average Mileage operated(*)		256.10	255.57	0.53	
First track, owned, operated and leased		257.73	258.43		0.70
First track, used jointly		8.45	8.45		
Sidings, owned		93.13	85.22	7.91	
Sidings, leased		0.61	6.35		5.74
Total All Tracks		359.92	358.45	1.47	

* Excludes spur lines on which no regular trains are run.

Note.—Elkhorn Southern Railway lease terminated by sale of this line to C. C & O. Ry. during year.

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS, BUILT DURING YEAR ENDED JUNE 30, 1912

OWNED.

MILE POST		MILES
	VIRGINIA.	
	Supply Track in No. 55 Yard, Laurel Branch	.101
	Run-around Track in No. 55 Yard, Laurel Branch	.127
	Run-around Track at Tipple No. 3 Right Fork Lick Creek	.064
	Extension Coach Track in Dante Yard	.052
52.6	Extension Burton's Ford Siding	.022
55.9	Wilburn Siding	.037
65.7	Hardwood Siding	.098
69.3	Extension Fox Siding for Miller Bros. Lumber Co.	.017
70.6	Siding for Holston Corporation at Fort Blackmore	.275
86.1	Extension Quarry Track at Speers Ferry, Va.	.011
	TENNESSEE.	
93.2	Extension Cameron Station Siding	.021
96.7	Siding for Unaka Corporation at Rotherwood	.058
102.7	Siding at South Fork Holston River	.043
109.7	Fordtown Station Siding	.116
126.0	Siding to Tennessee Oak Veneer Co., Johnson City, Tenn.	.147
126.0	Siding for Cleveland Trinidad Asphalt Co., Johnson City, Tenn.	.158
126 0	Siding for Summers-Parrott Hardware Co., Johnson City, Tenn.	.028
141.0	Extension Cab Track, Erwin Yards	.062
141.4	Siding for Unicoi Construction Co., Erwin, Tenn.	.148
141.8	Siding Ford, Carpenter & Co., Erwin, Tenn.	.044
	NORTH CAROLINA.	
155.1	Extension Poplar Passing Siding	.109
156.5	Warrick Siding	.055
164.3	Siding for C. E. Howard, near Relief, N. C.	.036
185.9	Extension Carolina Mineral Co. Siding	.070
186.0	Siding No. 2, Carolina Mineral Co.	.068
186.0	Siding No. 3, Carolina Mineral Co.	.035
189.3	Siding for J. Walter Wright Lumber Co., Spruce Pine, N. C.	.078
192.0	Siding for Moore & Benfield	.054
207.8	Siding for M. C. Caldwell	.045
215.8	Siding for Southern Bell Telephone Co., Sevier, N. C.	.230
215.9	Scale Track at Sevier, N. C.	.192
224.6	Extension Brown-Hewitt Lumber Co. Siding, at Marion, N. C.	.028
241.6	Extension Tate Station Siding	.011
251.4	Bostic Coal Storage Sidings	.751
	SOUTH CAROLINA.	
267.7	Fertilizer Track at Chesnee, S. C.	.080
	Total	3.472
	Tracks removed during year	1.300
	Net length of tracks added	2.172
	Sidings formerly leased from Elkhorn Southern Ry., but now owned by C. C. & O. Ry.	5.740
	Total	7.912

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE YEAR ENDED JUNE 30, 1912

Right of way and real estate	$58	23
Grade revisions and changes of line	595	26
Tunnel improvements	24,777	94
Bridges, trestles and culverts	3,509	29
Ballast	2,434	20
Sidings and spur tracks	14,214	53
Terminal yards	6,810	77
Fencing right of way	1,621	23
Interlocking and other signal apparatus	170	13
Telegraph and telephone lines	3,489	24
Station buildings and fixtures	5,589	40
Shops, engine houses and turntables	18,122	94
Shop machinery and tools	12,418	87
Water and fuel stations	123	20
Miscellaneous structures	3,567	94
Steam locomotives	183,292	32
Passenger-train cars—Credit	*3,385*	*75*
Freight-train cars—Credit	*5,650*	*10*
Work equipment—Credit	*2,181*	*57*
Total	$269,578	07

ADDITIONS AND BETTERMENTS

Two concrete portals and 501 feet of concrete lining placed in Starnes Tunnel, which completed this tunnel lining and makes a total finished length of 517 feet at a cost of $19,966.00.

Two concrete portals and 220 lineal feet of concrete lining placed in South Twin Tunnel, covering its entire length, 236 feet.

Two concrete portals and 292 lineal feet of concrete lining placed in North Twin Tunnel, which makes its total completed length 308 feet.

Additions were made to yards at Dante, Erwin, Bostic and Spartanburg.

Passenger and freight shelter sheds were erected at Clinch, Poplar, Galax, and Black Mountain Junction.

A new passenger station was erected at Altapass, N. C. Also a small freight house at the same place.

A pattern storage house was erected at Johnson City, Tenn.

An extension to Erwin Power House, 39 feet by 52 feet, has been made and a battery of two Sterling boilers, 500 H. P., has been installed.

A heating system, a bolt turning machine, a rivet burster, a drop pit, and three melting furnaces have been installed in the machine shops at Erwin.

Fire protection has been installed for Chinquepin Trestle by the extension of a pipe line from water supply system at Spartanburg.

MAINTENANCE OF EQUIPMENT

LOCOMOTIVES

WHEEL ARRANGEMENT.	OWNED JUNE 30, 1911	ADDED DURING YEAR		OWNED OR LEASED JUNE 30, 1912	WEIGHT AND TRACTIVE POWER	
		By lease under trust	By purchase		Average Weight	Average Tractive Power
OOOo◺	1			1	126,000	21,400
OOOoo◺	5			5	158,420	27,460
OOOOo◺	2			2	146,500	33,580
OOOOo◺	17			17	199,150	43,882
oOOOOOOo◺	11			11	375,373	76,786
oOOOoo◺	3			3	235,000	37,140
Total	39			39	9,325,500	1,907,410
Average					239,116	48,908

Obsolete and held for disposal (not included above) as of June 30, 1911, Nos. 5 6, 7, 32, 33, 36, 37. Total 7.

Obsolete and held for disposal (not included above) as of June 30, 1912, Nos. 6, 32, 35, and 36,

Leased to Southern Gypsum Co., Saltville, Va.	No. 15
Leased to Black Mountain Railway	No. 33
Being repaired for service on construction	No. 37

	YEAR ENDED JUNE 30, 1912	YEAR ENDED JUNE 30, 1911	INCREASE	DECREASE
Number of locomotives through shop	39	39		
Number of locomotives in shop being repaired or awaiting repairs at end of year	5	4	1	
Average amount expended per locomotive in service for repairs	$2,733 76	$2,151 39	$582 37	

PASSENGER TRAIN CAR EQUIPMENT

Average amount expended for repairs and cleaning per passenger train car owned	$320 90
Number of passenger train cars through shop	14
Number of passenger train cars in shop at end of year	2

OWNED AND IN SERVICE	CONSTRUCTION	YEAR ENDED JUNE 30, 1912	YEAR ENDED JUNE 30, 1911	INCREASE	DECREASE
Combination, baggage and mail	Wooden	1	1		
	Steel under frame	2	2		
	All Steel	6	6		
Combination, baggage and Express	Wooden	1	1		
Combination, passenger and baggage	Wooden	1	0	1	
Coaches	Wooden	1	1		
	Vestibule and Steel under frame	24	24		
Observation		1	1		
Business		2	2		
Total		39	38	1	

MAINTENANCE OF EQUIPMENT—*Continued*

FREIGHT TRAIN CAR EQUIPMENT

	June 30, 1912.	June 30, 1911.
Average amount expended for repairs per freight car in service	$15.39	$17.33
Total number of freight train cars repaired	26,951	22,028

Owned and in Service	Description	Capacity in Pounds	Year Ended June 30, 1912	Year Ended June 30, 1911	Increase	Decrease
Box	Wood	60,000	231	235	...	4
Box	Steel underframe	60,000	249	249		
Flat	Wood	40,000	8	3	5	
Flat	Wood	50,000	0	9	...	9
Flat	Wood	60,000	99	106	...	7
Flat	Steel	100,000	100	100		
Gondolas	Steel	100,000	748	750	...	2
Hoppers	Steel	100,000	3,335	3,350	...	15
Caboose	Steel underframe	...	16	16	...	
Camp	Wood	...	20	21	...	1
Ballast (old hopper and gondolas)	Wood	60,000	*70	72	...	2
Dump	Steel	...	20	20		
Pile driver	Steel underframe	...	1	1		
Derrick	Steel	...	1	1		
Steam shovels	Steel underframe	...	2	2		
Scoop	Wood	...	2	2		
Spreaders	Wood	...	3	3		
Scale test	Steel	...	1	0	1	
Totals	...	...	4,906	4,940		34
Freight Car Equipment						
Number of revenue cars in service			4,770	4,800	...	30
Tonnage capacity			226,680	228,015	...	1,335
Average tonnage capacity			47.52	47.50	.02	
Freight Locomotives						
Number			31	31		
Total tractive power, pounds			1,658,590	1,658,590		
Average tractive power, pounds			53,503	53,503		

All cars equipped with air brakes.

* 2 destroyed during year; remaining 70 held for disposal.

EQUIPMENT PERFORMANCE

	1912	1911	Increase	Decrease
Locomotives				
Cost per mile run (Cents)				
Enginemen	10.11	8.71	1.40	
Enginehouse Expenses	2.03	1.96	0.07	
Fuel	11.86	9.49	2.37	
Water	0.52	0.65	....	0.13
Lubricants	0.58	0.60	....	0.02
Other Supplies	0.36	0.40	....	0.04
Repairs and Renewals	10.89	7.84	3.05	
Depreciation	0.37	0.43	....	0.06
Total cost per locomotive mile (cents)	36.72	30.08	6.64	
Pounds coal consumed per locomotive mile	236.15	246.73	....	10.58
Pounds coal consumed per freight locomotive mile	342.35	365.56	....	23.21
Pounds coal consumed per passenger locomotive mile	109.52	106.86	2.66	
Pounds coal consumed per mixed locomotive mile	233.93	245.66	....	11.73
Pounds coal consumed per special locomotive mile	109.52	106.86	2.66	
Pounds coal consumed per switching locomotive mile	139.54	178.90	....	39.36
Pounds coal consumed per non-revenue locomotive mile	112.79	214.06	....	101.27
Locomotive miles per ton of coal	8.47	8.11	0.36	
Freight locomotive miles per ton of coal	5.84	5.47	0.37	
Passenger locomotive miles per ton of coal	18.26	18.72	....	0.46
Mixed locomotive miles per ton of coal	8.55	8.14	0.41	
Special locomotive miles per ton of coal	18.26	18.72	....	0.46
Switching locomotive miles per ton of coal	14.33	11.18	3.15	
Non-revenue locomotive miles per ton of coal	17.73	9.34	8.39	
Locomotive miles run per pint of oil	14.72	12.83	1.89	
Average number of locomotives in service per month	39.00	34.00	5.00	
Average miles per locomotive per month	2,109	2,271	162	
Passenger Cars				
Pounds coal consumed per passenger train car mile	46.31	47.47	....	1.16
Number passenger cars handled one mile per ton of coal	43.19	42.14	1.05	
Freight Cars				
Pounds coal consumed per freight car mile (excluding caboose)	10.04	12.25	....	2.21
Number freight cars handled one mile per ton of coal	199.26	163.29	35.97	

MILEAGE STATISTICS

	Year Ended June 30, 1912	Year Ended June 30, 1911	Increase	Decrease
LOCOMOTIVE MILEAGE				
Of revenue freight trains	461,218	392,078	69,140	
Of revenue passenger trains	265,974	269,356	....	3,382
Of revenue mixed trains	107,996	107,749	247	
Of revenue special trains	5,303	8,048	....	2,745
Of revenue switching service	99,040	73,322	25,718	
Of non-revenue trains	39,093	82,682	....	43,589
Total	978,624	933,235	95,105	49,716
Net increase	....	....	45,389	
TRAIN MILEAGE				
Of revenue freight trains	261,936	256,465	5,471	
Of revenue passenger trains	264,802	267,217	....	2,415
Of revenue mixed trains	106,969	106,819	150	
Of revenue special trains	5,207	7,963	....	2,756
Of non-revenue trains	38,175	81,449	....	43,274
Total	677,089	719,913	5,621	48,445
Net decrease	....	....	....	42,824
CAR MILEAGE AND STATISTICS				
Mileage of loaded freight cars	9,751,511	7,626,953	2,124,558	
Mileage of empty freight cars	8,167,547	6,235,758	1,931,789	
Mileage of caboose cars	262,934	257,378	5,556	
Total mileage of freight train cars	18,181,992	14,120,089	4,061,903	
Mileage of passenger cars	751,898	768,698	....	16,800
Mileage of sleeping, parlor, and observation cars	2,585	17,674	....	15,089
Mileage of other passenger train cars	381,638	377,697	3,941	
Total mileage of passenger train cars	1,136,121	1,164,069	3,941	31,889
Net decrease	....	....	....	27,948
Mileage of special cars	30,214	39,459	....	9,245
Mileage of non-revenue cars	350,482	909,787	....	559,305
Average number of loaded cars in each freight train	26.43	20.99	5.44	
Average number of empty cars in each freight train, excluding caboose	22.14	17.16	4.98	
Average number of cars in each freight train excluding caboose	48.57	38.15	10.42	
Percentage of loaded cars in each freight train	54.42	55.00	....	0.58
Average number of passenger train cars in each passenger train	3.06	3.11	....	0.05

MAINTENANCE OF WAY AND STRUCTURES

Total Expenditure for Maintenance of Way and Structures, $167,768.36, or $655.09 per mile operated.

WEIGHT OF RAIL IN MAIN TRACK YEAR ENDED JUNE 30, 1912

	C., C. & O. Railway			C., C. & O. Railway of S. C.			Total
	Main Line	Branches and Spurs	Sidings	Main Line	Branches and Spurs	Sidings	
	Miles	Miles	Miles	Miles	Miles	Miles	Miles
Owned							
45-lb. Rail			0.14				0.14
60-lb. Rail		2.30	46.63			0.99	49.92
80-lb. Rail	5.11		3.55				8.66
85-lb. Rail	221.01	7.78	37.13	17.95		4.26	288.13
90-lb. Rail	2.95		0.43				3.38
Total owned	229.07	10.08	87.88	17.95		5.25	350.23
Leased							
45-lb. Rail							
60-lb. Rail							
85-lb. Rail	0.63		0.61				1.24
Total Leased	0.63		0.61				1.24
Total owned and leased	229.70	10.08	88.49	17.95		5.25	351.47

The above does not include 8.45 miles Norfolk & Western Ry. from St. Paul to Kiser, over which the Company has trackage rights, but does include lines purchased from the Elkhorn Southern Ry. and lines leased from the E. T. & W. N. C. R. R. in Johnson City.

18,387 cross ties used in maintaining existing tracks.

BALLAST IN MAIN TRACK ON JUNE 30, 1912.

Additional ballast placed on tracks during the year as follows :

	VIRGINIA	TENNESSEE	NORTH CAROLINA	SOUTH CAROLINA	TOTAL
Stone—cubic yards	1,364	1,584	2,024	1,144	6,116
Slag " "	8,272	5,456	6,820	2,596	23,144
Sand " "	—	—	44	—	44
Feldspar " "	—	—	44	—	44
Total	9,636	7,040	8,932	3,740	29,348

General distribution of all ballast is as follows :

	MAIN LINE		BRANCH LINE	
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry.	Total
	Miles	Miles	Miles	Miles
Stone	157.14	9.06	0.42	166.62
Slag	68.01	4.90	7.05	79.96
Sand	—	3.59	3.62	7.21
Bridges	3.92	0.40	0.32	4.64
Total	229.07	17.95	11.41	258.43

Tracks used jointly, excluded.

In general, stone ballast used in cuts and on old embankments.

Slag and sand used on embankments liable to settlement.

COMPARATIVE STATEMENT OF MATERIAL AND SUPPLIES ON HAND

	June 30, 1912	June 30, 1911	Increase.	Decrease.
Air brakes and parts	$1,547 02	$1,267 20	$279 82	
Asbestos, brick and cement	1,039 38	3,208 86		$2,169 48
Axles and wheels	2,432 44	2,258 20	174 24	
Bolts, nuts, rivets and screws	1,529 11	812 80	716 31	
Brass and bronze	1,221 56	2,879 61		1,658 05
Car trimmings	984 88	631 53	353 35	
Castings (rough)	10,816 44	11,130 43		313 99
Couplers	2,958 36	2,017 50	940 86	
Dry goods, rope and twine	166 28	177 25		10 97
Electrical material	9.144 96	1,925 52	7,219 44	
Finished articles	1,409 31	902 55	506 76	
Flues and flue ends	675 63	2,036 09		1,360 46
Fuel	4,564 83	21,071 97		16,507 14
Frogs and switches	5,120 91	5,763 92		643 01
Glass, glassware, etc	125 84	257 09		131 25
Hardware	400 16	289 57	110 59	110 59
Headlights and lamps	249 16	268 32		19 16
Hose and rubber goods	1,748 52	1,703 20	45 32	
Iron—bar	6,847 95	10,355 55		3,507 60
Iron—sheet	739 45	842 38		102 93
Injectors, lubricators, etc	618 87	546 43	72 44	
Lumber	11,521 26	15,191 88		3,670 62
Metals—sheet, copper, etc	1,222 10	1,271 50		49 40
Oils and waste	3.701 78	2,787 30	914 48	
Paints, varnishes and drugs	3.214 01	1,405 10	1,808 91	
Pipe and fittings, valves	2,133 03	2,548 87		415 84
Rails	16,891 12	19,769 13		2.878 01
Rail fastenings	6,773 16	7,623 17		850 01
Steel car material	1,421 19	1,724 30		303 11
Springs	1,585 26	1,324 57	260 69	
Tires (steel)	871 82	237 24	634 58	
Ties (cross)	4,530 07	1,535 24	2,994 83	
Tools and machinery (shop)	839 00	649 60	189 40	
Track tools	242 63	456 25		213 62
Trucks, scales, water tanks	1.976 41	1,939 88	36 53	
Material not enumerated above	9,264 58	2,641 24	6,623 34	
Explosives	831 01	4,311 04		3,480 03
Quarry supplies		6,139 91		6,139 91
Fencing material	548 52	1,647 08		1,098 56
Semaphores	1,002 64	1,127 97		125 33
Turntables	7,202 63	7,202 63		
Tool and spring steel	833 81		833 81	
Structural iron	1,004 34		1,004 34	
Total	$131,951 43	$151,879 87	$25,720 04	$45,648 48
Net Decrease				$19,928 44

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